



The President's Daily Brief

~~*Top Secret*~~ 20 March 1968



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DAILY BRIEF
20 MARCH 1968

1. South Vietnam

South Vietnam's military leaders seem to be pushing for a greater voice in the government.

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2. United Kingdom

Jenkins' budget appears just tough enough to satisfy foreign bankers. Up till now, they have felt that the Labor government was really not biting into the problem of getting Britain to pay its own way.

The budget's new tax measures are designed to cut domestic consumption by nearly \$2 billion, an amount above the figures called for by many financial observers. An increase in the sales tax on most consumer goods and in the tax paid by employers on personnel engaged in service rather than production will provide the bulk of the revenue.

The budget can probably be gotten through Parliament in two or three weeks. Jenkins took a little of the sting out by leaving income taxes untouched, by providing for a small increase in family allowances, and by exempting beer and ale from the new round of taxes.

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3. Poland

The full text of Gomulka's speech yesterday is not yet in, but an official summary shows that for the most part the Polish leader was temporizing in the political crisis generated by the riots. By postponing major moves, Gomulka undoubtedly hopes to gain time to re-establish a modicum of party unity. The thrust of the speech, however, indicates that the party hardliners currently have the big voice. For one thing, Gomulka admitted that while the party is not anti-Semitic, it is anti-Zionist, and said that Jews who "consider Israel their fatherland" should emigrate.

4. Eastern Europe

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Soviet press coverage of Czech developments is picking up a bit, but Moscow has yet to mention the wave of leadership changes and the demands for policy reform. Pravda describes the current round of provincial party meetings in Czechoslovakia--which in fact are producing bitter factional fights--as "routine accountability and election conferences."

The Ulbricht government is clearly upset by the "democratization" going on in Prague. East German press commentary on the Czech situation has been thoroughly misleading; Prague radio has even had to deny an East German newspaper's charge that the entire development was "the work of Western imperialists."

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5. Cambodia

We have an official Cambodian account of a recent meeting between one of Sihanouk's deputies and the Liberation Front's representative in Phnom Penh.

The Cambodian initiated the meeting to complain about Viet Cong rice smuggling and other unauthorized border activities, and to warn about "serious obstacles" if these actions are not stopped. He made it clear that Cambodia feels it is under increasing pressure from the US over the sanctuary problem.

The Front man, with conciliatory language, admitted there might have been instances when the Viet Cong crossed the border in "error." He went so far as to ask for a list of violations so they could be stopped.

This is only one of a number of indications recently that the Cambodians are taking additional steps to keep the war outside their borders.

6. Guatemala

The fate of the Archbishop of Guatemala--abducted by terrorists on Saturday--is still in doubt. [REDACTED]

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There is increasing speculation that the prelate was abducted by extreme right-wing opponents of the President. High government officials, ranking members of the ruling Revolutionary Party, and local church leaders surmise that these extremists hope to force the Mendez government to fall.

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FOR THE PRESIDENT'S EYES ONLY

Special Daily Report on North Vietnam



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I. NOTES ON THE SITUATION

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UPI on North Vietnamese Attitude: K. C. Thaler, UPI correspondent in London, has published another piece on Hanoi's attitude toward negotiations based on unidentified East European sources. Although we agree with Thaler that Hanoi is not interested in negotiations except on its own terms, we have no confidence in the details of his story or in his sources, who clearly are expressing opinions not based on any inside information from Hanoi. Thaler, for instance, says his sources assert that "hardliners" are firmly in the saddle in Hanoi and are "more self-assured than ever" because they believe political developments in the US are working in their favor. These sources say that Hanoi feels it cannot lose by waiting and may win by just standing pat through the summer and waiting for the results of the US elections. Meanwhile, goes the story, the Communists are continuing to inflict casualties on US forces in hopes of putting additional pressure on US public opinion.

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Hanoi doubtless is encouraged by rising anti-war pressure on the administration and probably will seek to encourage this pressure whenever possible. The Communists are not sitting back and waiting for events in the US to hand them a victory, however. Their expectations for eventually prevailing in Vietnam continue to rest primarily on their belief that they can frustrate US programs in South Vietnam and prolong the war until the US is willing to compromise its objectives. Their military and political efforts in the South are geared mainly to this strategy and not to a hope of influencing the US public.

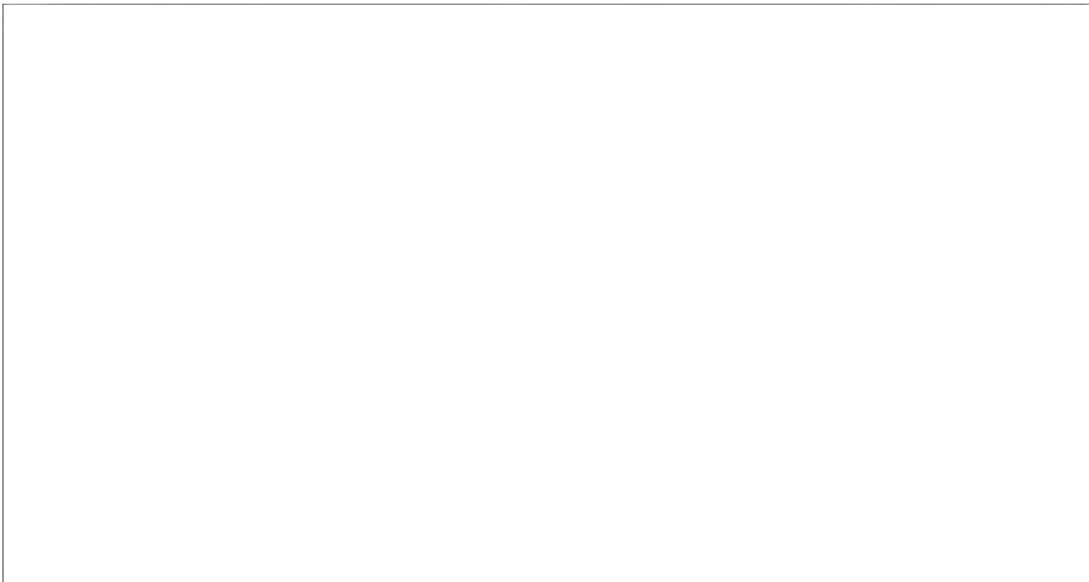
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Anti-US Meetings Scheduled in Europe: Two conferences on Vietnam--one in Sweden and the other in France--are scheduled for this Saturday. The French Communist Party is sponsoring a meeting of "French Intellectuals for Vietnam," which apparently is to be attended by several North Vietnamese representatives. The conference in Sweden will be run by the coordinating committee set up at last summer's Stockholm conference. Various unspecified US citizens reportedly are to attend. The meeting will provide a test of whether the Swedish non-Socialist parties have succeeded in muzzling Socialist Education Minister Palme, a vociferous opponent of the war.

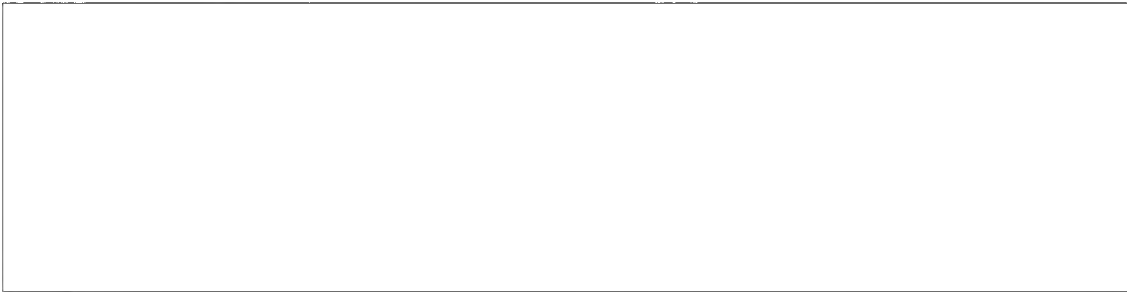
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Mai Van Bo to Switzerland: Mai Van Bo, the North Vietnamese representative in Paris, arrived in Switzerland on 19 March for a week of discussions with Swiss officials. His visit follows up a trip to Hanoi late last month by the Swiss ambassador to Peking

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The dispatch of Bo--Hanoi's chief spokesman in the West--suggests that Hanoi does not intend to limit its discussions in Bern to humanitarian or Red Cross matters as it has done in the past. Bo will probably provide the Swiss with a full and detailed briefing on the North Vietnamese position on the war, negotiations, and possibly on matters related to the Geneva accords. He may also be expected to probe further on the question of more formal diplomatic recognition.

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Danish Minister Pushing Dutch Proposal: A Danish minister is making the rounds in Europe to drum up support for the proposed Dutch demarche to Hanoi and Washington. The minister--whom our embassy terms inept and visionary--is alleged to believe that the Dutch draft is too much like the San Antonio formula. He is trying to get something "closer to what Hanoi might accept."

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II. NORTH VIETNAMESE REFLECTIONS OF US POLITICAL ATTITUDES ON THE WAR

Hanoi Publicizes Alleged Letter by Marine Officer: In its English language program to American servicemen in South Vietnam on 14 March, Hanoi broadcast what it claimed was a letter from an unidentified Marine lieutenant to Senator Fulbright. The Marine told of having his early idealism shattered when he realized that the war in Vietnam was being directed against the innocent populace and for a government which the South Vietnamese people do not support. The Marine claimed that there were many other Americans in Vietnam who shared his view and he thanked Fulbright for his efforts to "bring out the truth and to get this thing stopped."

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